WEEKLY ECONOMIC REVIEW

May 2, 2008

According to preliminary estimates released by Statistics Canada, Alberta's real GDP grew by 3.3% in 2007, the second highest among the provinces. The West continued to lead the country economically, with all four western provinces experiencing growth higher than that of Ontario (+2.1%) and Quebec (+2.4%).

Also, in nominal terms, total personal income in Alberta grew by 10% while labour income grew 11.4% from 2006. Corporate profits exhibited growth of 6.4% after falling 0.5% in 2006.

In February, the average weekly earnings of Albertans grew by 1.9% from January and 4.9% compared to February 2007. Health care (+2.7) and oil and gas extraction (+2.6%) led wage growth for the province.

Alberta housing prices remained steady in March although the market shows significant signs of weakening. Prices in Calgary (+1.1%) and Edmonton (+1.6%) rose slightly from February. However, total sales in Calgary in the first quarter of 2008 were down 35.9% from the same period in 2007. Likewise, sales fell by 29.8% in Edmonton over that same period.

Prices for grains in Alberta continued their strong surge upwards in February, increasing 43.6% from the same month last year. Strong demand and higher energy prices have driven grain prices up globally. Livestock prices, which were up 5.6% from January, are still weak compared to February 2007, down 7.6%.

Cdn Dollar (US¢/CS)	
May 2, 2008	98.2
April 25, 2008	98.4
2008-09 YTD	98.6
WTI Oil US$/bbl	
May 1, 2008	$ 112.52
April 24, 2008	$ 116.06
2008-09 YTD	$ 112.47
Nymex Natural Gas CS/MMBtu *	
May Contract	
May 2, 2008	$10.80
April 25, 2008	$11.02

*Estimate based on Nymex Futures Market Price

The U.S. Federal Reserve Board cut its key policy interest rate by a quarter of a percentage point to 2% on Wednesday. Following a 3.25 percentage point reduction since last September, the Fed is signaling a pause in rate cuts for now. Inflation is picking up and the impact of the fiscal stimulus package and interest rate cuts should benefit the U.S. economy.

After several weeks of strong gains, energy prices eased this week. Crude oil fell US$3.54/bbl from last Thursday to close at US$112.52/bbl amid a strengthening U.S. dollar and easing supply concerns.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/PreviousYear's Month(Y/Y)	Year-to-date[1]
Average Weekly Earnings ($) [2]	**February**			
Alberta	867.40	1.9%	4.9%	4.0%
Canada	786.80	0.6%	3.1%	2.9%
Farm Product Price Index (1997=100)	**February**			
Alberta – Grains	158.1	1.9%	43.6%	43.1%
Alberta – Livestock	89.9	5.6%	-7.6%	-8.4%
Canada	**March**			
Industrial Product Price Index (1997=100)	117.7	-0.3%	1.7%	-0.3%
Raw Materials Price Index (1997=100)	202.8	6.6%	20.4%	17.7%

Source: Statistics Canada. [1]Year-to-date compared to the same period in the previous year. [2] Seasonally adjusted